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ABSTRACT

This paper discusses U.S. foreign aid to and international trade with developing countries. It also briefly discusses the need for social studies to infuse global education in its curriculum and presents a model to involve students in world problems. The first part of the paper describes the purposes of foreign aid to developing countries and traces some of the history of U.S. foreign aid to developing countries from 1944 through the 1970s. The second part of the paper discusses the purposes of international trade among the nations of the world, stating that since the early 1960s many Third World nations have moved from the status of foreign aid recipients to that of participants in global trade activities. Several trade theories and practices that affect the degree of international trade of any nation are listed, such as the concept of free trade and the policy of restrictionism. Then some examples of contemporary events and situations in the global market place are given. The third part of the paper focuses on the need for students in social studies classes to develop an awareness and understanding of the concept of interdependence among nations. The fourth part of the paper presents a Proactive Action Model to involve high school students in both the investigation and solution of contemporary world problems. The last part of the paper offers remarks made by President Reagan, Robert S. McNamara, Charles W. Yost, and Hugh Scott about economic development in the interdependent world community. (NE)

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FROM FOREIGN AID TO FOREIGN TRADE
Developing Proactive Student Awareness and Understanding of the Economic and Political Growth and Influence of Nations Within the Global Community

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FROM FOREIGN AID ...

Foreign aid can be designed to increase the living standards of recipient countries or can be used for military/political reasons -- or both. In the United States system of aid, financial assistance to less-developed countries (LDC's) can come from the private (business) or public (government) sectors of the economy/society.

Since the end of World War II, the United States has initiated several foreign aid programs for purposes of improving the economic, political, and social conditions in less-developed countries. Foreign aid is one way by which the developed countries (DC's) can bring the economic development of less-developed countries. For example, at the Bretton Woods Conference (1944) the United States led in the creation of the International Monetary Fund.

1947	The Truman Doctrine: economic and military aid to Greece and Turkey.
1948	European Recovery Program (Marshall Plan): economic aid to combat hunger, poverty, desperation, and chaos.
1950	The Point Four Program: economic and technical aid to the poor nations of Africa, Asia, and Latin America.
1961	Alliance For Progress: financial aid to Latin American countries for economic development. Receiving nations also invested money in their own economic development.

1961 The Peace Corps: a foreign aid program which involves American volunteers in both teaching and providing technical advice to developing countries in Africa, Asia, and South America.

Over the course of the past four decades, the United States has contributed funds to the World Bank and to the United Nations Development Program. In 1970, the United States established an Overseas Private Investment Corporation for purposes of encouraging the flow of American private investment in the developing countries. Foreign investments made by private industries may contribute to improvements in the economic efficiency of recipient countries by providing funds and imported goods for productive innovation. These investments may provide the impetus to innovation as well as technical know-how and experience.

Raymond Mikesell (1968) identified two primary functions of foreign aid:

1) to assist countries in implementing private and public measures which will mobilize and reallocate their human and material resources for maximum social and economic progress.

2) to supplement a country's domestic resources for higher rates of growth and social progress.

In a more critical vein, United States Senator Frank Church (1971) stated that in several countries the United States government poured in aid money for one overriding purpose -- the stabilization of economies in order to furnish American capital with favorable "climates" for investment.

Foreign aid affects the performance of national societies -- including their standards and quality of life. The key to improving living standards in a given country, over long periods of time, is population control and environmental preservation.

In 1969, R. A. Peterson (President, Bank of America) reported that economic nationalism threatened the future of developed as well as less-developed countries of the world.

In 1970, Robert S. McNamara (President, World Bank) stated that the World Bank had promoted agricultural exports and provided a necessary stimulant to industrial growth in underdeveloped countries. At the same time, McNamara reviewed the misery that existed in the developing world; malnutrition, high infant mortality, low life expectancy, widespread illiteracy, high unemployment, and

the inadequate distribution of wealth. Senator Church contends that America's program of foreign aid has encouraged relationships of sustained dependency on the United States.

... TO FOREIGN TRADE

The nations present at the Bretton Woods (NH) Conference in 1944 established the International Bank for Reconstruction and Development for purposes of developing international trade among the nations of the world.

Since the early 1960's many of the Third World nations have moved from the status of foreign aid recipents to that of participants in global trade activities.

In 1964, at the United Nations Conference on Trade and Development, emerging nations requested the creation of an international trade program favorable to less-developed nations -- as a way of increasing their income and for stimulating their economic development.

Reviewing the successes and failures of the United Nations in 1968, Nelson A. Rockefeller stated that "since almost two-thirds of the United Nations membership is composed of developing countries, it is quite natural that these nations should attempt to use the organization for the purpose of narrowing the gap between the rich and the poor nations". He added that "it should be the policy of the United States to support the United Nations activities in the economic and social fields".

Most low-income nations are more dependent on international trade than are the large, high-income nations that engage in a wide range of productive activities.

A high standard of living within a given nation requires a market area large enough to permit specialization, economies of scale, and the provision of a wide range of products. Free international trade requires that there be access to markets within the various nations. For most nations satisfactory arrangements for (free) international trade are a necessary condition for a high standard of living.

According to Rockefeller, "the United Nations family boasts a large number of programs, conferences, and specialized agencies, devoting themselves to the vital tasks of

bettering the lot of the world's poor and economically backward and of guiding the new nations through the difficult processes of modernization and industrialization".

Robert S. McNamara (1970) commented that humans "have simply not thought long enough and hard enough about the fundamental problems of the planet". No human community can survive without a sense of global community. "Today we are in fact an inescapable community, united by the forces of communication and interdependence in our new technological order."

There are several trade theories and practices which effect the degree of international trade of any given nation.

1) The concept of free international trade provides equal opportunities for all nations to trade with one another -- without any restrictions or policies of preference.

2) The policy of restrictionism limits (and sometimes prevents) the degree to which any given country can trade with other countries.

3) The concept of multination free trade areas provides limited opportunities for nations to trade freely with one another within specified geographical areas and/or commodities.

In the past twenty years the United States has nurtured the economic and industrial development of several nations, and as a result of these efforts these nations have become greatly interrelated/interdependent and often competitive and at odds. This fact is evident by contemporary events and situations in the global marketplace. For example:

1) In February 1982 the Common Market rebuffed United States charges that the ten nation economic community had been subsidizing steel and farm exports. A Common Market official was quoted as saying thet some in America perceive "the wicked Europeans (as) dumping large amounts of steel and making it difficult for the good and honest American producers" to compete. (The Wall Street Journal)

2) The United States Senate promotes the concept of trade reciprocity. The United States would continue to maintain relatively open markets - but only for nations that reciprocate by accepting United States goods without restrictions.

3) In January 1982 Japan received complaints from the United States and European countries centering on Japan's reluctance

to alter its post-World War II trade policies -- that being an aggressive world-wide export drive along with a web of complex restrictions on imports.

4) In 1981, French imports of United States goods exceeded exports by the equivalent of $3.8 billion.

5) On February 8, 1982 it was announced in The Wall Street Journal that the Reagan administration, dissatisfied with Japan's latest efforts to lower its trade barriers, was considering tough measures to intensify pressure on the Japanese.

6) Due to the sharp increase of oil prices between late 1978 and January 1981, the nations of Western Europe experienced economic depressions, high unemployment, and the loss of revenues.

7) While the United States Senate ponders efforts to restrict Japanese exports to the United States, Japan states that it is moving with urgency to deal with friction rising from Japan's lopsided trade surpluses with its major business partners; the United States and Western Europe.

8) Some experts see the application of the concept of reciprocity to America's foreign trade program as attempting to close off United States markets to trading partners, principally Japan, that fail to lower their own barriers to American goods.

9) In a speech before the Organization of American States (OAS) on February 24, 1982 President Reagan proposed a policy of free trade for Caribbean Basin products exported to the United States. Never before has the United States offered a preferential trading arrangement to any region of the world. Reagan also called upon Congress to provide significant tax incentives for investment in the Caribbean Basin. The United States will offer technical assistance and training to assist the private sector in the Basin countries, and will recruit Peace Corps volunteers with skills in developing local enterprises in Basin countries.

Reagan's Basin speech, in principle, is similar to Senator Church's comments in October 1971 when he said that he "would advocate, as an alternative to the palliative of aid, that we (the United States) lend positive support to developing countries by entering into commercial arrangements that redress the terms of trade which are now rigged against them".

AWARENESS AND UNDERSTANDING

Because all nations of the world are dependent upon one another for their economic/political/social well-being, there is an urgent need for students to develop such understandings along with a global perspective.

The social studies curriculum of any given school should acknowledge the existance of a global community of nations/people, and should provide students with opportunities to explore these conditions as well as to develop their perceptions regarding these situations.

Writing in the January 1981 issue of Environmental Education Report [1] this author stated that a vehicle by which young learners can be introduced to the world about them is a continuous, integrated, and sequential environmental awareness program (EAP) from pre-school or Kindergarten through grade twelve. An EAP is "continuous" if the content, materials, and skills to be learned and applied are infused into the social studies as well as

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1 Richard Peters, "Putting Global 2000 to Work in the School Curriculum," Environmental Education Report pp. 5-6.

other subject matter areas of the school curriculum, and "sequential" if designed to provide for the development and reinforcement of learned knowledge and skills - throughout the elementary, junior high, and high school curriculum.

Writing for the National Council for the Social Studies (NCSS) and its HOW TO DO IT SERIES [2] this author stated that human beings are but one creation in the totality of nature. Their significance in the scheme of things is largely dependent upon their abilities to adapt and to develop intellectually and physically as well as to wisely manipulate and utilize their natural and social surroundings. As human beings have developed highly technical societies they have devised tools and techniques by which they can alter the natural ecosystems, change the course of rivers, and clear and reclaim the land. Human beings cannot survive on the face of the Earth alone!

As stated by David C. King (October 1980) the technological advances, increased trade, tourism and

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[2] Richard Peters, "How To Teach About Human Beings and Their Environment," HOW TO DO IT SERIES (#28) 1976.

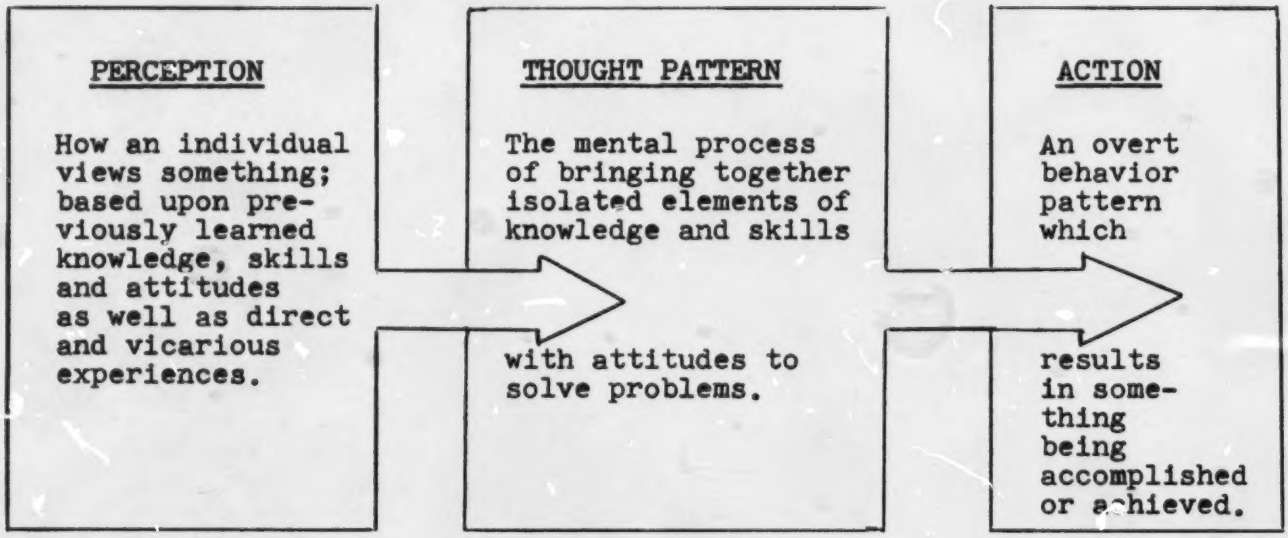
cultural exchanges, environmental concerns, competition for markets and scarce resources, and the continuing arms race are drawing nations and peoples into increasingly complex relationships. Global education is an effort to cultivate in young people a perspective of the world which emphasizes the interconnections among cultures, species, and the planet.

The purpose of global education is to develop in youth the knowledge, skills, and attitudes needed to live effectively in a world possessing limited natural resources and characterized by ethnic diversity, cultural pluralism, and increasing interdependence. The growing interrelatedness of life on earth has increased the need for citizens to possess the knowledge and sensitivity required to comprehend the global dimensions of political, economic, and cultural phenomena.

Proactive Action Students: Activities and Strategies

The purpose of the proactive action instructional strategy is to directly involve students in both the investigation and solution of contemporary world problems.

The basis for student training in global-oriented critical thinking and decision making is the PROACTIVE ACTION MODEL (PAM).


PERCEPTION
How an individual views something; based upon previously learned knowledge, skills and attitudes as well as direct and vicarious experiences.
THOUGHT PATTERN
The mental process of bringing together isolated elements of knowledge and skills
with attitudes to solve problems.
ACTION
An overt behavior pattern which
results in something being accomplished or achieved.

SAMPLE UNIT

AREA OF STUDY: Economic Interdependence on a Global Scale

CONCEPT: The trading of goods and services among/between nations of the world.

PURPOSE: To acquaint students with the growth process of nations in international trade; from foreign aid to foreign trade.

GRADES: 6 - 12

ACTIVITIES:

1) Audiovisual materials (e.g., films, filmstrips, videotapes) are used to introduce students to the concept: international trade, and to expose students to the use of natural resources in the process of producing goods/services for domestic and foreign use.

2) Students select nations (representing FIRST, SECOND and THIRD WORLDs) and research their capacities to produce goods/services as well as with whom they trade.

3) Maps of the world are drawn by students and specific nations are identified. Goods which are traded internationally, by each chosen nation, are identified and lines are drawn from each nation to those other nations which import these goods.

4) Bulletin board displays are made showing the goods/services which are traded between two representative nations.

5) Students are taken on field trips to area businesses/industries which make goods for international trade.

6) Students research the topic: international trade. They represent various nations or experts and try to find ways to share natural resources and manufactured goods. (SEE DIAGRAM I: PAM PROCESS)

7) Guest speakers visit classrooms to discuss their roles in the manufacture/production of goods for foreign trade, and/or citizens of other countries who use goods produced in the United States.

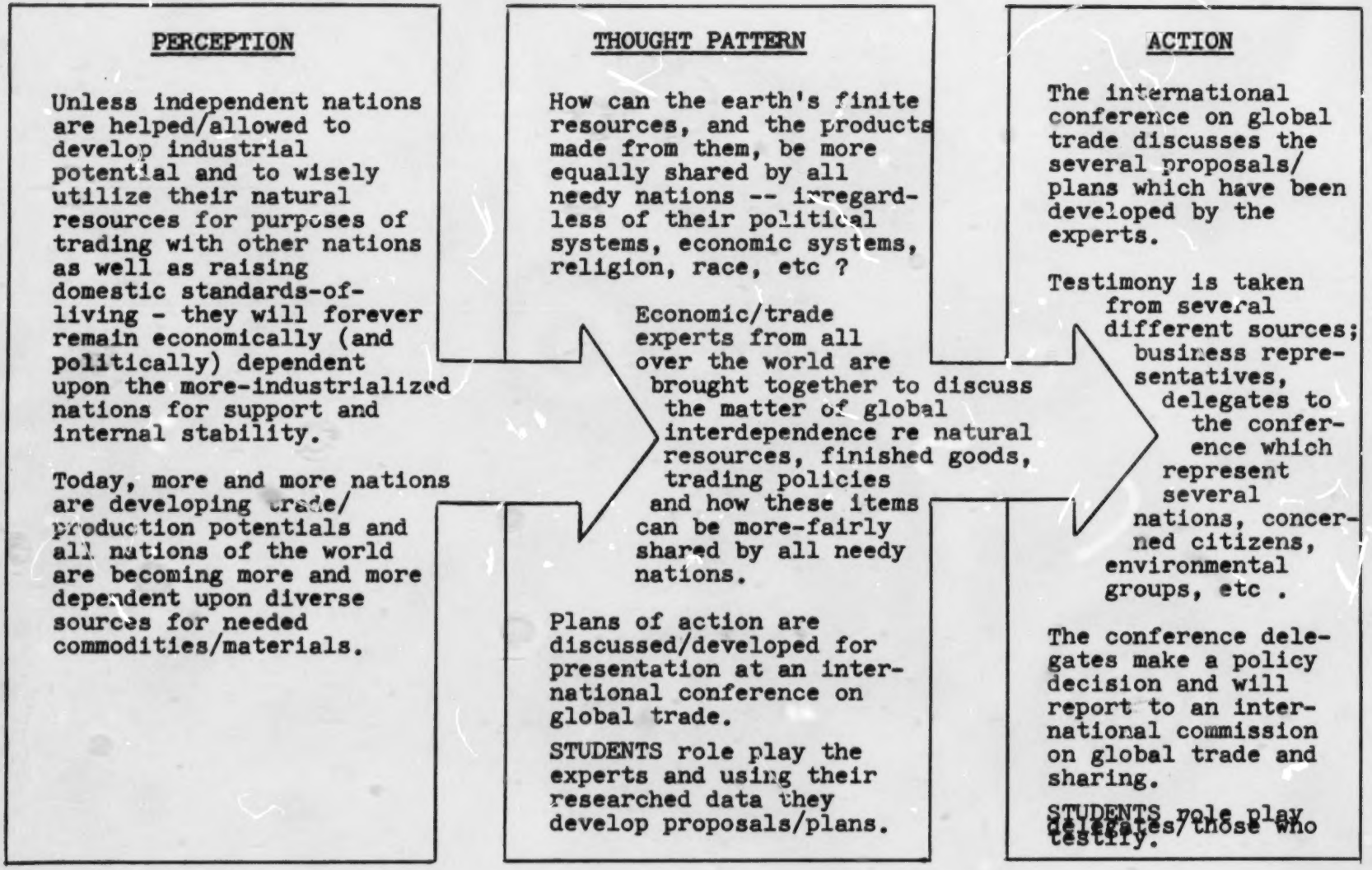
8) Students make a list of goods used in everyday life which are manufactured in foreign countries. A bulletin board display can be developed and exhibited.

9) Students develop a list of natural resources which are found in foreign countries and exported to the United States and other nations. A bulletin board display can be developed and exhibited.

10) An international trade simulation (game) is developed and played by students. THIS ACTIVITY CAN BE RECORDED ON VIDEO TAPE.

11) Students write to the United Nations (NYC) for information about international trade; laws, agreements, products traded, etc.

DIAGRAM I: PAM PROCESS


PERCEPTION
Unless independent nations are helped/allowed to develop industrial potential and to wisely utilize their natural resources for purposes of trading with other nations as well as raising domestic standards-of-living - they will forever remain economically (and politically) dependent upon the more-industrialized nations for support and internal stability.
Today, more and more nations are developing trade/production potentials and all nations of the world are becoming more and more dependent upon diverse sources for needed commodities/materials.
THOUGHT PATTERN
How can the earth's finite resources, and the products made from them, be more equally shared by all needy nations -- irregardless of their political systems, economic systems, religion, race, etc ?
Economic/trade experts from all over the world are brought together to discuss the matter of global interdependence re natural resources, finished goods, trading policies and how these items can be more-fairly shared by all needy nations.
Plans of action are discussed/developed for presentation at an international conference on global trade.
STUDENTS role play the experts and using their researched data they develop proposals/plans.
ACTION
The international conference on global trade discusses the several proposals/plans which have been developed by the experts.
Testimony is taken from several different sources; business representatives, delegates to the conference which represent several nations, concerned citizens, environmental groups, etc .
The conference delegates make a policy decision and will report to an international commission on global trade and sharing.
STUDENTS role play delegates/those who testify.

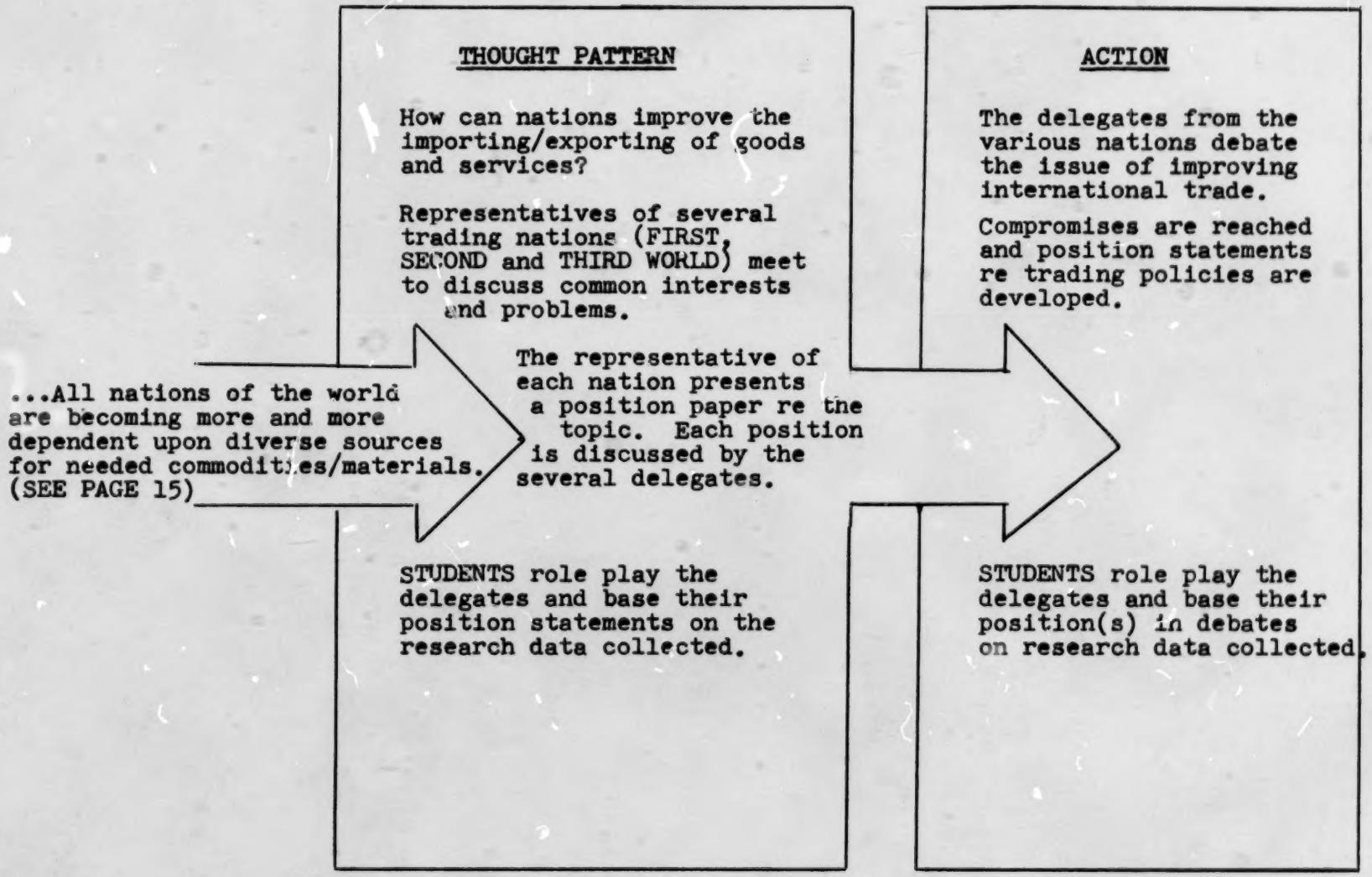

THOUGHT PATTERN
How can nations improve the importing/exporting of goods and services?
Representatives of several trading nations (FIRST, SECOND and THIRD WORLD) meet to discuss common interests and problems.
ACTION
The delegates from the various nations debate the issue of improving international trade.
Compromises are reached and position statements re trading policies are developed.
...All nations of the world are becoming more and more dependent upon diverse sources for needed commodities/materials. (SEE PAGE 15)
The representative of each nation presents a position paper re the topic. Each position is discussed by the several delegates.
STUDENTS role play the delegates and base their position statements on the research data collected.
STUDENTS role play the delegates and base their position(s) in debates on research data collected.

DIAGRAM I: FAM PROCESS

REMARKS

While attending the twenty-two nation summit meeting on international development in Cancun, Mexico (1981), President Reagan stated that the United States would not increase levels of foreign aid to developing countries -- but would help them to further develop through trade and economic exchange. Speaking in Philadelphia a week prior to the Cancun meeting, Ronald Reagan said that some mistake compassion for development and claim massive transfer of wealth somehow, miraculously, will produce new well-being. "In its ultimate form, development is human fulfillment. Free people build free markets."

Speaking before the World Bank Group of Governors in Copenhagen, Denmark (September 21, 1970) Robert S. McNamara stated that "we must apply at the world level that same sharing of wealth, that same moral responsibility, that same standard of justice and compassion, without which our own national societies would surely fall apart".

While attending the Economic and Social Council of the United Nations in Geneva, Switzerland (1970) Charles W. Yost (United States Representative to the United Nations)

stated that representatives to the United Nations must begin "to think not solely as the representatives of (their) respective governments, but also as the representatives of the world community - a community whose members must inescapably prosper and suffer together, live and die as one human family, on this small space ship". What is the true purpose of development? There are two dimensions of national development; quantity and quality.

According to Yost's view, the efforts of all the participants in development must not only be measured to assure that they are big enough in economic terms -- they must also be directed and evaluated to be sure that they are good enough in social and human terms. It is not enough to raise national income; that income must be equitably distributed among all the people to stimulate and reward their efforts. It is not enough to increase the production and consumption of products; we must take care also not to pollute our surroundings, deplete our resources, degrade our life and jeopardize our future. It is not enough to increase the national product; it is necessary also to check the

course of human fertility to ensure that progress is not merely statistical but that it is concretely reflected in a better life for each man, woman, and child.

Speaking before the United States Senate in 1968, Hugh Scott (PA) clearly defined the difference between the economic aid of the late 1940's and early 1950's (as examplified by the Marshall Plan) and the economic aid programs of the 1960's; from recovery to development. Possibly we should, today, take this differentiation one step farther and state that economic aid programs in the 1980's and beyond should strive to achieve global equality.

Scott went on to state that where economic development is concerned there is apt to be very little on which to build in the less-developed nations; agriculture is primitive, there is little (if any) industrial structure, populations are generally unskilled, and the peoples are often virtually illiterate. Another problem regarding the underdeveloped and newly independent countries of Asia and Africa is that they possess cultural values derived from tradition and experiences different from those of the United States and other FIRST WORLD nations. These cultural differences can become a real barrier to development and international cooperation.

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